

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

APR 1 2002

IN REPLY REFER TO:  
CN-0200962

The Honorable James M. Inhofe  
United States Senate  
453 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Inhofe:

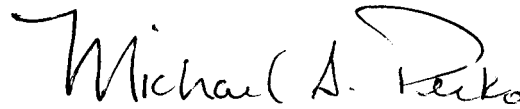
Thank you for your recent letter on behalf of your constituent, Mr. Robert E. Story, President of Story Communications in Durant, Oklahoma. Mr. Story contacted your office regarding the proposed transaction involving EchoStar Communications Corporation ("EchoStar") and General Motors Corporation's subsidiary, Hughes Electronics Corporation ("Hughes Electronics"), which includes its satellite television unit, DIRECTV. Mr. Story has raised a number of competition issues related to the proposed EchoStar-Hughes merger, and believes the Commission should carefully review the transaction.

As you are aware, General Motors Corporation and Hughes Electronics, along with EchoStar Communications Corporation, recently announced that they had entered into definitive agreements that provide for the spin-off of Hughes from General Motors and the merger of Hughes with EchoStar Communications. At the same time, the companies indicated that the proposed merger is subject to a number of conditions, including approval by the majority of each class of General Motors shareholders, and a favorable ruling from the Internal Revenue Service that the divestiture of Hughes will qualify as a tax-free event for federal income tax purposes.

The proposed EchoStar-Hughes transaction also is subject to regulatory review under the Hart-Scott-Rodino Act (conducted in this instance by the Department of Justice), as well as review by this Commission. Under the Communications Act, the Commission must approve any license transfers related to transactions involving our licensees. In order to expedite this process, the Chairman of the Commission recently established a special team of Commission staff to coordinate and oversee the Commission's review of the EchoStar-Hughes transaction. On December 3, 2001, the Commission received applications from Hughes Electronics and EchoStar requesting consent to the transfer of control of licenses and authorizations to a newly incorporated EchoStar Communications. On December 21, 2001, the Commission issued a notice seeking public comment on the proposed transfer of control filed by Hughes Electronics and EchoStar. Comments or petitions to deny the applications had to be filed with the Commission no later than February 4, 2002, and oppositions or responses had to be filed with the Commission no later than February 25, 2002. More recently, the Commission also asked the applicants to supply additional information concerning a number of issues related to their application. For Mr. Story's information and review, I have enclosed a copy of the Commission's **Public Notice**.

Please be assured that the Commission will consider Mr. Story's views carefully, along with the complete record as it develops during our review process. Given the significant concentration that would result from this proposed merger, the Commission intends to examine closely the information filed by the applicants and any issues raised by the public.

Sincerely,

A handwritten signature in black ink that reads "Michael S. Perko". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael S . Perko  
Chief, Office of Communications and  
Industry Information  
Media Bureau

Enclosure